

NATIONAL RECOVERY ADMINISTRATION

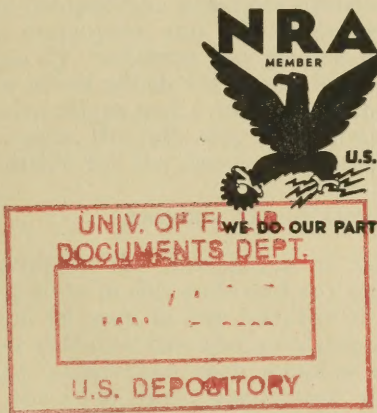
PROPOSED CODE OF FAIR COMPETITION

FOR THE

MOUNTERS AND FINISHERS

INDUSTRY

AS SUBMITTED ON AUGUST 28, 1933

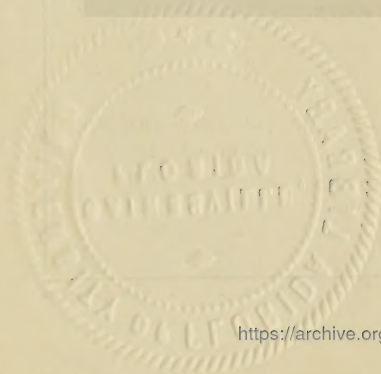


The Code for the Mounters and Finishers Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are*
to be regarded as having received the approval of
the National Recovery Administration
as applying to this Industry

UNITED STATES
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CODE OF FAIR COMPETITION SUBMITTED BY THE ASSOCIATION OF MOUNTERS AND FINISHERS, INC.

ARTICLE I—DESCRIPTION OF THE BUSINESS

The Association of Mounters and Finishers, Inc., represents that branch of the Graphic Arts industry engaged in the business of mounting, and/or die cutting and/or easeling and/or finishing of all types of mounted cardboard window and other advertising displays.

ARTICLE II—PURPOSE

To effectuate the policy of Title I of the National Industrial Recovery Act, during the period of emergency, by increasing employment, establishing fair and adequate wages, effecting the necessary reduction in hours of employment, improving the standards of labor, eliminating competitive practices destructive to the best interests of the public, employees, and employers, relieving the disastrous effects of overcapacity, restoring the income of the enterprises within the industry to levels which will make it possible to pay such prescribed and adequate wages and avoid the further depletion and destruction of capital assets, the following provisions are established as a code of fair competition for the Association of Mounters and Finishers, Inc.

ARTICLE III—PARTICIPATION

Membership in the Association of Mounters and Finishers, Inc., and participation in this code and any subsequent revision of or addition to, shall be open to any member of the industry. There are no initiation or entrance fees and no restrictions on the qualifications for membership, other than each member agrees to abide by the provisions of the code, the Constitution and By-Laws of the Association, the code of uniform terms and conditions for quotations and sales, and be responsible for his proportionate share of the expense of the Association necessary for the administration of the code and any other activities which may be agreed upon by a majority vote of the membership.

ARTICLE IV—ADMINISTRATION

A. The Association of Mounters and Finishers, Inc., is hereby designated as the agency for administering and supervising the performance of the provisions of this code by the members of the industry.

B. The administrators of this code shall be the Association of Mounters and Finishers, Inc. The Business Manager of the Association shall act as the unrestricted agent of the Association and have the right to make such audits of records, collect such reports, statistics, and other information as may be necessary to carry out the provisions of this code. All such data are to be kept confidential,

and they shall not be divulged to any member except in summary but shall be given to the President of the United States upon request or to support the provisions of this code. The Business Manager of the Association shall also make such investigations and shall file such complaints as are necessary under the provisions of this code.

C. The Board of Directors of the Association shall supervise the activities of the Association under this act and shall be directly responsible for the administration of the provisions of this code. The Board of Directors may delegate this authority to either the Business Manager of the Association or to an Executive Committee of their own choosing.

D. The Board of Directors or their delegated representatives together with such individuals as may be named by the President of the United States shall constitute the Planning and Advisory Committee of the industry.

E. Violations by any member of the Association, or by any business entity eligible to membership in the Association, of the provisions of this code, is and shall be an unfair method of competition, and as such, subject to the penalties provided by the Recovery Act.

For purposes of self-government of conditions not deemed to warrant invoking the aid and assistance of the authorities and penalties prescribed in the Recovery Act, a majority of the parties signatory hereto may from time to time establish taxes and/or penalties and provision for the payment thereof, for violation of this code.

In the event the Administrator of this code deems violations to be of such moment as to justify the attention of the authorities and penalties prescribed in the Recovery Act, the Administrator or Business Manager of the Association shall make complaint and invoke the aid and assistance of the authorities and penalties prescribed in the Recovery Act.

ARTICLE V—LABOR PROVISIONS

General.—A. As provided in Section 7 (a) of Title 1 of the National Recovery Act, the following provisions are conditions of this code:

1. That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purposes of collective bargaining or other mutual aid or protection.

2. That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

3. That employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

B. It is clearly understood that the foregoing paragraph does not impair in any particular the constitutional rights of the employees and employer to bargain individually or collectively as may be mutually satisfactory to them; nor does it impair the joint right of employer and employee to operate an open shop.

C. Nothing in this code is to prevent the selection, retention, and advancement of employees on the basis of their individual merit, without regard to their affiliation or nonaffiliation with any labor organization.

D. No employer in the industry shall employ any person under the age of sixteen (16) years.

Hours of Work.—A. It is agreed that the maximum number of working hours for all employees in the industry, including office help, shall not be in excess of forty (40) hours in any one week, and that the working days in the week shall be limited to five, Monday to Friday, inclusive. No establishment in the industry shall open for the transaction of any business or any manufacturing operation on Saturday or Sunday.

B. Repair crews, machinists, and electricians are excepted from this provision when necessary to keep the plant in operation. This provision shall not apply to executives, supervising staffs, watchmen, or janitors.

C. When necessary, due to the special character of any mechanical work, overtime shall be permitted; but no employees performing mechanical operations shall work more than eight hours overtime in any one week, and no employee shall work more than 1,040 hours in any consecutive 26 weeks, including overtime.

Labor Rates.—A. It is agreed that the minimum rates of pay for the industry shall be as follows:

Male Help, forty (40) cents per hour.

Female Help, thirty-five (35) cents per hour.

B. As soon as practicable, a job classification for the industry shall be worked out and minimum rates for each job classification shall be fixed.

C. Where work is performed on other than hourly rates, such as piecework, etc., it is agreed that such rates shall also be increased proportionately so that the same earnings can be secured in the forty-hour week as are now secured under the present hours of work and that the same minimum rates of pay per hour shall apply to this classification of labor as have been established for hourly employees.

D. Hours worked in excess of the maximum of forty (40) in any one week by employees who are on hourly rates shall be paid at the rate of time and one third.

E. No home work shall be allowed. All labor shall be performed in the member's plant, but no work shall be done in any unsanitary buildings or buildings unsafe on account of fire risks.

ARTICLE VI—PRODUCTION AND CAPACITY

A. Until such time as the demand for the products of the industry cannot be adequately met by the fullest possible use of the existing equipment, and until the code is amended to permit it, none of the members of the code shall install any additional equipment except as such equipment is needed to replace worn or obsolete equipment. Nothing in the foregoing, however, is to be construed as prohibiting improvements from being made on present equipment. No member may establish a factory branch for the purpose of mounting, die

cutting, and finishing in any city or within the radius of 100 miles of such city where a factory of a present member is now located.

B. It is recommended that the President of the United States require that, prior to the purchase and installation of productive machinery by persons (whether individuals, copartnerships, or corporations) not presently engaged in this industry, such persons shall be required to secure from the President, certificates that such purchase or installation is consistent with effectuating the policy of the National Industrial Recovery Act during the emergency period stated therein.

C. We agree that so long as the industry is operating below 80% of capacity (the present level is under 40% of actual capacity), that the principle of sharing business equitably between the various plants in the industry must be recognized. To carry out this principle we agree that the Business Manager of the Association shall have the right to assign to each active factor in the industry a certain percentage of the available business to which it is entitled, this percentage giving due consideration to the physical capacity, past performances and any other factors which may be felt to have a bearing on the equitableness of each position, recognizing to a reasonable extent the greater difficulties met by the smaller plants working on a curtailed basis.

D. If any member finds itself unwilling to accept the percentage of business which has been assigned to it by the Business Manager; the question at issue shall be referred to a Board of Arbitration, one member of which shall be appointed by the Board of Directors, one member by the company which finds itself unwilling to accept the position assigned by the Business Manager, and the third member appointed by the two arbitrators provided for above. The findings of this Arbitration Board shall be final and binding upon both parties.

E. Each member of the Association agrees to limit its sales and production to its own relative position as determined by the principles outlined above.

ARTICLE VII—TRADE PRACTICES

A. To carry out the provisions as outlined above, and also to secure the objectives as set forth in the National Industrial Recovery Act, it becomes necessary to conduct our industry in an orderly manner and to maintain fair competitive practices which will not be inimical to the interests of the public, the employer or the employees. It is agreed that the participants in this code shall abide by and live up to the Constitution and By-Laws of the Association of Mounters and Finishers, Inc., and the codes of trade practices which may be adopted from time to time by the majority vote of the Association.

B. It is agreed that every member of the Association shall use an adequate cost system and one which will be prescribed by the Association. Basic principles for comparative and uniform cost accounting will be adopted by the Association as soon as is practicable, and when adopted will be used as a basis for determining minimum selling prices for the products of the industry. Pending the adoption of such uniform cost accounting principles, the minimum selling prices of the principal products of the industry shall be based on the present knowledge of costs.

C. It shall be an unfair method of competition for any person in this industry to sell his products below actual cost. In the absence of correct and reliable information as to costs each person shall consider as his cost the cost found by the Business Manager to represent average industry costs and published as such. All concerns in the industry shall furnish to the Business Manager in confidence all essential information which may be required pertaining to the determination of their costs according to a formula to be furnished by him; and such information shall be subject to verification.

The quotation by any manufacturer of any price lower or higher than the price based upon actual costs, or the sale of any commodity at a price lower or higher than that based upon actual costs shall constitute an unfair trade practice.

D. To secure the effective general distribution of business in accordance with the principles outlined in Article VI, Section B, it is agreed that in the event that any member becomes materially out of line with his recognized position in the industry that the Board of Directors, through the Business Manager, may direct a course of procedure to be followed by such companies in order to bring about an equitable distribution of the available business, and it is agreed that this course of action will be followed by each member so affected.

E. It is agreed that each member of the industry will submit to the Business Manager at the end of each year a balance sheet and profit and loss statement, certified by an officer of the company, so that a combined balance sheet and profit and loss statement of the industry may be submitted to the President of the United States, as a check on the prices received and as an indication of the industry to be reasonable in its purpose.

F. Any secret rebate or credit, extra cash discount, the shipping of a greater quantity of product than is billed, or any other secret practice which tends to lower the recognized price on the part of any manufacturer or his agent is hereby condemned and shall constitute an unfair trade practice.

G. It is agreed that the wilful interference by any person, firm, corporation, or association, by any means or device whatsoever, with any existing contract or order between a seller and a purchaser, in or about the production, manufacture, transportation, purchase or sale of any product handled by the industry, or the performance of any contractual duty or service connected therewith, such interference being for the purpose or with the effect of dissipating, destroying, or appropriating, in whole or in part, the patronage, property, or business of another engaged in such industry is condemned as an unfair trade practice.

H. The circularization of threats of suit for infringement of patents or trade marks among customers of a competitor, not made in good faith and for the purpose of harassing and intimidating customers, is condemned as an unfair trade practice.

I. It is agreed that no member of this code shall at any time use any methods or means of enticing employees from the employment of any other member of this code and before hiring any employees who have previously been in the employ of another member, the company about to employ such a person will invite a full exchange of facts concerning such person about to be employed from the members in whose employ such a person may have been.

J. All patents or patents applied for, of design or construction, now existing or hereafter applied for, shall be filed in the business office of the Association and shall be available for reference to any member of the Association. It shall be construed that the filing of such patent is notification of the existence of such patent or design. Permission for use of such a patent may be open to any member in the industry on application to the owner thereof and upon agreement with the said owner upon terms or payment of royalties. The use of such patents or patents applied for by any member without conforming to this procedure shall constitute an unfair trade practice.

K. The attached specific conditions and terms of quotations and sales, set forth in Appendix A shall constitute provisions of this code.

ARTICLE VIII—PENALTIES AND DAMAGES

A. Any violations of any provisions of the code by any member of the Industry shall constitute a violation of the code by such member.

B. Recognizing that the violation by any member of the Code of any provision of Article VII, Sections C, D, F, G, H, and K shall disrupt the normal course of fair competition in the industry and cause damage to any other member or members of the Code, and that it will be impossible fairly to assess the amount of such damage to any member of the Code; it is hereby agreed by and among all members of the Code that each member of the Code which shall violate any such provision shall pay to the Treasurer, as an individual and not as the Treasurer of the Association, in trust, as and for liquidated damages, a sum not to exceed 25% of the net billing price for that project or projects.

C. Unless otherwise provided for in Section B, the Board of Directors of the Industry shall, upon complaint of any member of the Code, determine whether such other violations have in fact been made and shall assess as liquidated damages a fine against the violator in an amount which, in their opinion, represents damages to the Code or any member thereof. Such penalties and damages, however, can only be assessed by a vote of five out of six of the Board of Directors of the Association. In the event that a violator of the Code shall be one of the members of the Board of Directors, a vote of four of the five remaining directors shall be required.

Such members shall become liable to pay the Treasurer of the Association as an individual and not as Treasurer of the Association, in trust, liquidated damages for such unfair practices in the amount and at the time established by the Board of Directors of the Association.

D. The amounts so paid to or collected by the Treasurer under this Article shall be held and disposed of by him as part of the funds collected under the Code, and each member of the Code not guilty of the unfair practice in respect of which any such amounts shall have been paid or collected, shall be credited with its pro rata share of such amount on account of any and/or assessments due or to become due from such member under the Code. Such pro rata share shall be computed on the same basis as the last previous assessment made against each member on account of the expense of administering the Code.

E. Anything in the Code to the contrary notwithstanding, the Board of Directors of the Association by the affirmative vote of five out of six of the Board may waive any liability for liquidated damages imposed by or pursuant to any provisions of the Code for any violations of any provisions thereof. If in its discretion it shall decide that such violation was innocently made, then the collection of such damages will not to any material extent tend to effectuate the policy of Title I of the National Industrial Recovery Act.

ARTICLE IX—GENERAL

A. No provision in this code shall be interpreted or applied in such a manner as to—

- a. Promote monopolies.
- b. Promote or encourage unfair competition.
- c. Eliminate or oppress small enterprise.
- d. Discriminate against small enterprise.

B. The President of the United States may from time to time cancel or modify any order, approval, license, rule, or regulation issued under this title; and each agreement, code of fair competition, or license approved, prescribed, or issued under this title shall contain an express provision to that effect.

C. Amendments to this code may be proposed by any member of the Association, and such amendments when adopted by a majority vote of the Association shall become effective if, and when, approved thereafter by the President of the United States.

D. This code shall become effective on September 1st, 1933, or if it has not been approved by that date, it will become effective five (5) days after it has been approved by the President of the United States.

APPENDIX A OF THE GENERAL CODE

UNIFORM CONDITIONS AND GENERAL SPECIFICATIONS OF QUOTATIONS AND SALES CONDITIONS

1. Owing to uncertain market conditions this quotation is made subject to immediate acceptance. In accepting this quotation you shall give us a written order showing specifications and price.

2. All prices are based upon continuous and uninterrupted production and delivery of the entire order, unless quotation states otherwise.

3. We assume that shipment is to be made to one point in packing units convenient to us. An extra charge will be made for split shipments and special packings unless so covered in our quotation.

4. Instructions for immediate shipment are to be given us on all merchandise. Unless otherwise agreed in the quotation, it is understood that all merchandise will be shipped within 45 days from receipt of prints, otherwise we will place in a public warehouse at your risk and expense any merchandise left on hand after that time, and such merchandise will be packed bulk in cases and billed for such packing, unless other definite packing instructions are provided.

5. The percentage of overrun must be specified in your written order and our obligation is limited to the amount specified.

6. We reserve the right to a 5 percent spoilage on your prints on runs of 1,000 sheets or more, 10 percent on smaller quantities.

7. All prints are to be delivered, f.o.b. our factory, not later than 60 days after placing your order. We assume it to be satisfactory to you to place in immediate production ALL prints or other materials when received by us.

8. Any material furnished by you, other than actual prints, will be accepted by us only at such times as we specify.

9. All materials furnished by you are held at your risk, and we assume no responsibility for loss or damage by fire, water, or any cause beyond our control.

10. Mounting of varnished sheets involves an additional charge.

11. Should you specify finished samples for your approval, it is understood that we will be required to furnish no more than three, one of which is to be returned to us with your O.K. thereon.

12. All dies are to be furnished by us and remain our exclusive property. At our discretion dies will be destroyed after six months' time.

13. Terms are net cash, no discount.

14. All merchandise is sold f.o.b. our city or cars.

15. All charges for prepaid transportation items will be payable upon presentation of our invoice.

GENERAL SPECIFICATIONS

A. For best mounting results we require the use of 80 to 90 lb. if coated paper and 70 to 80 lb. if offset or machine-finish paper, basis 25 x 38, grain all one way.

B. When received by us, prints must be flat, free from wrinkles and folds, and the ink must be thoroughly dry and firm. All prints are to be delivered in cases or on skids properly protected with contents properly marked.

C. Due to the impossibility of manufacturing mounting board to exact caliper, a variation of 5% in thickness must be allowed.

D. *We require that you confer with us regarding layout and all other details. Advance planning will insure economy, prompt service, and satisfactory results.*



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